Message Text

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INFO OCT-01 EA-10 ISO-00 CTME-00 IO-13 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /099 W

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P 150832Z NOV 77 FM AMEMBASSY TOKYO TO SECSTATE WASHDC PRIORITY 2768

CONFIDENTIAL TOKYO 17621

E.O. 11652: GDS TAGS: ETRD, JA

SUBJECT: GILMORE CASE AND NIPPON STEEL

REF: TOKYO 17345

- 1. AT THEIR REQUEST, NIPPON STEEL EXECUTIVE VICE PRESIDENT ABE AND HIS AMERICAN ATTORNEY CALLED ON DCM NOV. 15 TO STATE THEIR UNDERSTANDING OF NOV. 4 MEETING BETWEEN INAYAMA AND UNDERSECRETARY SOLOMON. THEY SAID THAT, ALTHOUGH GILMORE CASE WAS NOT SPECIFICALLY DISCUSSED, NIPPON STEEL INTENDED TO STICK TO ITS POLICY OF PROVIDING NO COST OF PRODUCTION DATA IN THAT CASE. INAYAMA HAD PROMISED FULL COOPERATION IN DISCUSSIONS OF A REFERENCE PRICE SOLUTION TO THE STEEL DUMPING CASES, BUT HE BELIEVED THAT PROVISION OF "SECRET AND SENSITIVE" COST DATA WAS NOT ESSENTIAL TO THIS PROCESS.
- 2. NIPPON STEEL PROVIDED NO DATA TO CUSTOMS BUREAU REPS IN TOKYO ON NOV. 14. IN COOPERATING WITH REFERENCE PRICE DISCUSSIONS THEY SAID THEY WOULD PROVIDE "STANDARD COST DATA." WE ASKED WHAT THAT MEANT AND WERE TOLD THAT THEY WERE OFFERING ADVICE ON "AVERAGE PRICE DATA BASED ON HYPOTHETICAL CONDITIONS OF CAPACITY UTILIZATION AND CONFIDENTIAL

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OTHER VARIABLES."

3. IN RESPONSE DCM STATED THAT HE BELIEVED THAT UNDERSECRETARY SOLOMON WOULD HAVE NO CHOICE BUT TO COMPLY WITH THE LAW AND THAT HE EXPECTED INVESTIGATION AND FINDINGS ON OUTSTANDING DUMPING CASES WOULD PROCEED UNTIL PRICE REFERENCE ARRANGEMENT COULD BE CON-

CLUDED. HE SUGGESTED THAT NIPPON STEEL EXECUTIVES MIGHT WISH TELEX UNDERSECRETARY SOLOMON TO MAKE SURE THERE HAD BEEN NO MISUNDERSTANDING OF THE U.S. POSITION. THEY SAID THEY WOULD DO SO.

4. IN AN ASIDE TO ECOUNS AFTER END OF MEETING, ATTORNEY PLAINE OF STEPTO AND JOHNSON WHO ACCOMPANIED ABE SAID IT LOOKED TO HIM AS IF NIPPON STEEL IS ON A COLLISION COURSE. HE EXPRESSED THE HOPE THAT WE WOULD MAKE THE USG POSITION UNMISTAKEABLY CLEAR SO THAT ABE WOULD UNDERSTAND WHAT HE IS GETTING INTO.

5. COMMENT: A CLEAR AND UNMISTAKABLE STATEMENT THAT COST DATA IS REQUIRED BY LAW MAY MOVE NIPPON STEEL OFF THIS UNCOOPERATIVE AND RIGID STANCE. OUR IMPRESSION IS ABE WOULD PERSONALLY LIKE US TO BE FIRM, SO THAT HE CAN PERSUADE INAYAMA TO YIELD. MANSFIELD

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Message Attributes

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